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Date: 20 February 2016

Dear Marta

**RE: Provisions to delay disclosure of inside information within the FCA's
Disclosure and Transparency Rules**

The Investment Association welcomes the opportunity to respond to the FCA's consultation paper.

The Investment Association represents the UK asset management industry. Our members manage over £5 trillion in the UK of assets on behalf of UK, European and international clients, both retail and institutional. Collectively, our members make up the second-largest asset management industry in the world.

Below, we have provided our response to the question raised in your paper.

Yours

Adrian Hood
Regulatory and Financial Crime Expert



**Consultation Paper – Provisions to delay disclosure of inside information
within the FCA's Disclosure and Transparency Rules**

Q1. Do you agree that making the proposed change to DTR2.5.5G, without issuing further guidance relating to 'legitimate interest', supports a properly functioning disclosure regime?

We agree with the need to make the proposed change to DTR 2.5.5G. It would be hard to reconcile the limitation to the statement, in Article 3 of Directive 2003/124/EC, that these are non-exhaustive.

However, we would endorse the concern voiced in paragraph 2.38 of your consultation, that amending DTR 2.5.5 G in the way proposed may create further uncertainty, to the detriment of market transparency, by inhibiting effective price formation and market stability. We would suggest that the comments made in paragraph 2.49 be reflected in the body of the handbook, by their conversion into a further guidance following DTR 2.5.5A R. This would both help users of the handbook understand their obligations, and make it clear that exceptions to EU laws are to be read strictly and narrowly.